



**MULTIFAMILY REPORT**

# Knoxville Pursues Growth

April 2023

**YoY Rent Growth Still in Double Digits**

**New Construction Starts Pick Up**

**Occupancy Dips, Still Above 97%**

# KNOXVILLE MULTIFAMILY



## Healthy Demand Supports Rates, Occupancy

Knoxville's multifamily market had a remarkable 2022, sustained by healthy demand that triggered record-high investment and deliveries. This kept rent growth above the U.S. average for most of the pandemic. As of February, the metro's average asking rate posted a consistent 12.8% year-over-year increase, to \$1,391, while the U.S. figure rose just 4.8%, to \$1,702. The occupancy rate in stabilized properties decreased 50 basis points in the 12 months ending in January, to a still high 97.6%.

Knoxville unemployment started the year at 3.3%, outperforming the state (3.5%) and the U.S. (3.4%), according to preliminary data from the Bureau of Labor Statistics. Although better than pre-pandemic levels, it still lagged Nashville (2.7%). The job market expanded by 4.7%, or 20,400 jobs, in the 12 months ending in December, ahead of the 3.4% national rate. All sectors added positions, led by trade, transportation and utilities, which gained 3,200 positions. Notable companies expanding in the metro include 3M—working on a \$470 million plant expansion—and Topgolf, which recently opened its first location in Knoxville.

As of February, no deliveries or sales were recorded. This came on the heels of record performance in 2022, when Knoxville saw a 3.2% stock expansion, \$422 million transaction volume and 22.5% year-over-year increase in the price per unit, to \$185,535. Still, the construction pipeline remained robust, with 2,749 units underway.

## Market Analysis | April 2023

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### Recent Knoxville Transactions

#### The Village at Westland Cove



City: Knoxville, Tenn.  
Buyer: Capital Square  
Purchase Price: \$87 MM  
Price per Unit: \$362,500

#### Brendon Park



City: Knoxville, Tenn.  
Buyer: Dominion Group  
Purchase Price: \$57 MM  
Price per Unit: \$175,000

#### The Vue at Ridge Way



City: Knoxville, Tenn.  
Buyer: Brookside Properties  
Purchase Price: \$15 MM  
Price per Unit: \$154,167

#### McKenzie Acres



City: Oak Ridge, Tenn.  
Buyer: WNC & Associates  
Purchase Price: \$4 MM  
Price per Unit: \$38,950